

The Importance of Public Investments in Regional Development: An Example of Gap in Turkey

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Abstract: *Developed countries can perform better growth with their economic possibilities and they can minimize the imbalances among regions. However, this is not applied to developing and least developed countries. The most important problem of developing countries such as Turkey is insufficiency of sustainable development. Thus, this has led to imbalanced development between regions.*

Today, one of the major problems of Turkey is inter-regional inequalities in developments. These inequalities also bring social, political and cultural problems with them. South-eastern Anatolia Project (GAP) aimed a multi-sector, integrated and sustainable and regional development. It is aimed to raise the income levels and living standards of people in the region with the help of GAP, and as a result to abolish the inequalities between this region and other regions. Development program of the project covers irrigation, hydropower, energy, agriculture, rural and urban infrastructure, forestry, and education and health sectors. GAP is funded by public investments and its total cost is 32 billion U.S. dollars.

In this study, the effect of public investment on regional development will be discussed by the light of Turkey South-eastern Anatolia Project (GAP). The analysis of macroeconomic data (economic growth, unemployment, export etc.) will help us to observe the contribution of the GAP to the reconstruction of this region and the economy of Turkey in this context.

Keywords: *Public Investment, Regional Development, South-eastern Anatolia Project (GAP)*